



Bill Draft 2015-TMz-1: Unemployment Insurance Law Changes.

2013-2014 General Assembly

Committee:
Introduced by:
Analysis of: 2015-TMz-1

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Committee Counsel

SUMMARY: *The bill draft would make the following changes to the unemployment insurance (UI) laws:*

- *Authorize the Division of Motor Vehicles (DMV) to disclose social security numbers to Division of Employment Security (DES) for the purpose of verifying employer and claimant identity.*
- *Require UI claimants to contact 5 potential employers per week.*
- *Eliminate the procedure to request reconsideration of DES decisions.*
- *Clarify DES authority to garnish and attach the credit card receipts of delinquent taxpayers.*
- *Require photo identification to receive UI benefits.*
- *Make other technical changes to modernize language and fix statutory references to DES.*

PART I: AUTHORIZING DMV TO DISCLOSE SOCIAL SECURITY NUMBERS; REQUIRING UI CLAIMANTS TO CONTACT 5 POTENTIAL EMPLOYERS PER WEEK; AND ELIMINATING THE PROCEDURE TO REQUEST RECONSIDERATION OF DECISIONS.

CURRENT LAW: G.S. 20-7(b2) authorizes DMV to disclose social security numbers to a list of State entities subject to federal limitations. DMV obtained the social security numbers when a person applied for an identification card, learners permit, or driver's license.

G.S. 96-14.9(e) requires UI claimants to actively search for work while receiving UI benefits. The claimant must make 2 job contacts with potential employers on 2 different days during a week. G.S. 96-15(h) provides a procedure for parties to any decision of DES to request reconsideration of the decision. The decision is not final until the request for reconsideration has been decided.

BILL ANALYSIS: Section 1.1 would add DES to the list of State entities authorized to receive social security numbers from DMV. The social security numbers are disclosed for the purpose of verifying employer and claimant identity.

Section 1.2 would make a technical change to move the date for the calculation of tax rates for certain employers from July 31 to June 30. The calculation is based on a 12-month period, and June 30 is the end of the calendar quarter.

Section 1.3 would modify the work search requirement by increasing the number of job contacts to 5 per week and eliminating the requirement to search on 2 different days.

Section 1.4 would eliminate the procedure to request reconsideration of decisions of DES and modernize the language of G.S. 96-15(h).

Section 1.5 would correct 3 references to DES.

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EFFECTIVE DATE: Section 1.2 would be effective for contributions payable for calendar quarters beginning on or after January 1, 2014. Sections 1.3 and 1.4 would be effective July 1, 2015.

PART II: GARNISHMENT AND ATTACHMENT FOR THE COLLECTION OF UNPAID UI TAXES

CURRENT LAW: DES is authorized by G.S. 96-10(b) to bring civil actions to collect delinquent UI taxes. G.S. 1-359 governs the manner in which debtors of a judgment debtor may satisfy an execution.

BILL ANALYSIS: The bill clarifies DES authority to use attachment and garnishment of credit card receipts to satisfy a judgment for unpaid employment taxes.

Section 2.1.(a) amends G.S. 1-359 to specifically allow DES to execute a judgment by attaching or garnishing a delinquent employer's credit card receipts and then receiving those funds directly from a credit card company or clearinghouse in discharge of the debt.

Section 2.1.(b) clarifies that, under G.S. 96-10(b)(1), DES may garnish or attach credit card receipts due an employer using the process for execution authorized by new G.S. 1-359(b) to receive direct payment.

BACKGROUND: DES is responsible for collecting unemployment taxes from employers who fail to remit unemployment tax payments. DES may use the same forms of execution available to any other judgment creditor who prevails against a defendant. Obtaining payment from a debtor's debtor is one such method.

PART III: REQUIRE PHOTO IDENTIFICATION TO RECEIVE UI BENEFITS

CURRENT LAW AND BACKGROUND: DES administratively requires UI claimants present photo identification before receiving services. DES imposed the photo identification requirement to address fraudulent UI claims and create an audit trail. The photograph is evidence of the individual who committed fraud and aids prosecution of criminal offenses. USDOL supports program integrity measures such as requiring photo identification. USDOL provided a staff opinion that photo identification is a permissible eligibility requirement for UI claimants as part of the requirement to report to DES.

BILL ANALYSIS: The bill would add a new, statutory eligibility requirement to receive UI benefits that claimants must present photo identification. Valid photo identification requires the individual's photograph and must be one of the following documents:

- A driver's license, learner's permit, provisional license, or nonoperators identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.
- A United States passport.
- A United States military identification card.
- A Veterans Identification Card issued by the United States Department of Veterans Affairs.
- A tribal enrollment card issued by a federally recognized tribe.
- Any other document issued by the United States or any state that the Division determines adequately identifies the individual.

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